

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 5, 2008]²

Bill No. and sponsor: H.R. 4493 (Mr. John Culberson of Texas).

Proponent name,³ location: Solvay Chemicals Inc., Alpharetta, GA.

Other bills on product (110th Congress only): H.R. 4446 (Mr. Ron Lewis of Kentucky).

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Caprolactone-2-ethyl-2-(hydroxymethyl)-1,3-propanediol polymer (CAS No. 37625-56-2) (provided for in subheading 3907.99.01).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a high performance caprolactone triol that is derived by polymerizing epsilon-caprolactone monomer with trimethylol propane as an initiator. This polymer is a colorless liquid known for its superior chemical, abrasion, hydrolytic, and UV resistance compared to other polyesters. The product is primarily used to produce solvent-based, high-solids coatings. It is imported from Japan and the United Kingdom.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill. USITC staff identified one additional beneficiary of this bill that was not identified by the sponsor/proponent, and that beneficiary submitted a written representation that it would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: 3907.99.01					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$3,100,000	\$3,200,000	\$3,300,000	\$3,400,000	\$3,500,000
Customs revenue loss	\$201,500	\$208,000	\$214,500	\$221,000	\$227,500

Source of estimated dutiable import data: Commission and U.S. industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Solvay Chemicals, Inc. (Proponent) Max Turnipseed, 225-338-0310	02/18/2008	No	No	No
Arch Chemicals, Inc. Charles Barnett, 202-547-1831 Chandalia Kiran, 203-229-3317	02/19/2008	No	No	No
Arkema, Inc. Charles Kitchen, 215-419-7615	02/21/2008	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	02/21/2008	No	No	No
BASF Corporation Greg Thies, 202-558-5100	02/21/2008	No	No	No
Ciba Specialty Chemicals Corp. Vince Livoto, 914-785-4494; 954-7965 Mark Thomas, 336-801-2500	02/21/2008	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	02/21/2008	No	No	No
DSM Resins, Inc. Shelton Fox, 706-849-6700 Laura Pirtle, 706-849-6700	02/21/2008	No	No	No
DuPont Helen McMahon, 302-992-2263	02/21/2008	No	No	No
Efficient Global Trade, Inc. Henry P. Stoebenau, 215-628-4919	02/21/2008	No	No	No
Huntsman Advanced Materials Derek Kincaid, 281-719-7623	02/21/2008	No	No	No
LANXESS Corporation Jamie Schaeffer, 412-809-3666	02/21/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Perstorp Jeff Jones, 419-727-6722 Evelyn M. Suarez, 202-293-8116	02/18/2008	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the correct chemical name.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS
1ST SESSION

H. R. 4493

To suspend temporarily the duty on 2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2007

Mr. CULBERSON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 2-OXEPANONE, POLYMER WITH 2-ETHYL-2-**
4 **(HYDROXYMETHYL)-1,3-PROPANEDIOL.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.01.00	2-Oxepanone, polymer with 2-ethyl-2-(hydroxymethyl)-1,3-propanediol (CAS No. 37625-56-2) (provided for in subheading 3907.99.01) ..	Free	No change	No change	On or before 12/31/2011	”.
---	------------	---	------	-----------	-----------	-------------------------	----

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

○